

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MONTANA
GREAT FALLS DIVISION

Susan Webber, Jonathan St. Goddard,
Rhonda Mountain Chief, and David
Mountain Chief,

Plaintiffs,

vs.

U.S. DEPARTMENT OF HOMELAND
SECURITY; KRISTI NOEM in her official
capacity; and THE UNITED STATES OF
AMERICA,

Defendants.

DECLARATION OF DICK BARRETT

I, Dick Barrett, under penalty of perjury declare as follows:

1. I am a professor emeritus of economics at the University of Montana.

I hold a BA in economics from Swarthmore College (1964) and an MS and PhD in economics from the University of Wisconsin, Madison (1972). My professional experience includes completing a PhD thesis on Brazilian trade policy, teaching international economics at the University of Montana, the Autonomous University of Nuevo Leon (Monterrey, Mexico), ORT University (Montevideo, Uruguay), and research and training of western hemisphere central bank technicians at the Latin American Monetary Studies Center (Mexico City). I served in the Montana State

Legislature representing Missoula from 2009 to 2020. During every session I served on the committees on taxation.

2. I have been asked to review the Executive Orders implementing reciprocal tariffs. Executive Order 14257 is based on the claim that:

“Underlying conditions, including a lack of reciprocity in our bilateral trade relationships, disparate tariff rates and non-tariff barriers, and U.S. trading partners’ economic policies that suppress domestic wages and consumption, as indicated by large and persistent annual U.S. goods trade deficits, constitute an unusual and extraordinary threat to the national security and economy of the United States.”

Executive Order 14257 is marked as Exhibit 14. I reviewed the Orders and supporting documents, including the Reciprocal Tariff Calculations provided with the Statement of the U.S. Trade Representative regarding the calculation of the reciprocal tariffs, available at

https://ustr.gov/sites/default/files/files/Issue_Areas/Presidential%20Tariff%20Action/Reciprocal%20Tariff%20Calculations.pdf and attached as Exhibit 19.

3. The “reciprocal tariffs” announced on April 2, 2025 are specifically intended to reduce bilateral goods trade deficits with every US trading partner with whom such a deficit exists. The Executive Orders claim that all such bilateral trade deficits, including the deficit with Canada, cause serious harm to the United States economy sufficient to constitute a “national emergency.”

4. There is no reason to think that driving (or trying to drive) all bilateral trade balances to zero will be good for a trading economy. On the contrary, we should expect countries in a complex network of trading relationships to have a mix of bilateral trading deficits and surpluses (which may or may not offset each other). Bilateral trade deficits are not new; they have existed as long as trade has existed.

5. Bilateral trade deficits cannot be mainly or exclusively attributed to restrictive trading practice of bilateral trading partners. A good illustration of this is within the United States. There are no trade restrictions among the states, in fact Article I, Section 8, Clause 3 of the Constitution gives Congress the authority to regulate commerce “*among the several States.*” States cannot impose tariffs on other states. When one state has a bilateral trade deficit with another state, it obviously cannot be because that state has imposed tariffs on us.

6. The reciprocal tariffs imposed by the Executive Orders to address the stated emergency are loosely tied to the administration’s desire to reduce deficits in bilateral trade in *goods* to zero. The Orders do not address the effect of trade in *services*. The United States can realize gains from trade beneficial to the American economy by exporting services in exchange for imports of goods, i.e. running a deficit in trade in goods and a surplus in trade in services.

7. By almost every conventional measure of immediate economic performance, there is no evidence that the United States economy is performing badly or that it is being critically harmed by bilateral or global trade deficits. On the contrary, the existence of bilateral trade deficits is entirely consistent with the healthy functioning economy in a multilateral trading system.

I declare under penalty of perjury, on this 14th day of April, 2025, that the foregoing is true and correct to the best of my knowledge, information, and belief.

Executed on April 15, 2025

Dick Barrett
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